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June 18, 1985

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MEMORANDUM FOR THE VICE PRESIDENT

THE SECRETARY OF STATE
THE SECRETARY OF DEFENSE
THE DIRECTOR OF CENTRAL INTELLIGENCE
THE DIRECTOR, OFFICE OF MANAGEMENT AND
BUDGET
THE CHAIRMAN, JOINT CHIEFS OF STAFF

SUBJECT: Establishment of a Blue Ribbon Commission on
Defense Management

The President has approved the attached National Security Decision Directive to establish a Blue Ribbon Commission on Defense Management. While this NSDD is unclassified, it is not authorized for public release without NSC concurrence. An Executive Order implementing this Directive, including a description of the Commission's charter, will be available for public dissemination.

Robert C. McFarlane
Robert C. McFarlane

Attachment: NSDD 175

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THE WHITE HOUSE

WASHINGTON

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June 17, 1985

*National Security Decision
Directive Number 175*ESTABLISHMENT OF A BLUE RIBBON COMMISSION
ON DEFENSE MANAGEMENT

During the last four years we have made great progress in rebuilding our national defense and in confronting the many challenges involved in managing this buildup. We have much to be proud of.

Now the time has come not only to reflect and ensure that the people know of our accomplishments, but also to prepare for the future. Particularly in the context of the resource constrained environment we face, we must do all we can to consolidate our gains and sustain our efforts to reinvigorate the defense program.

Pursuant to the advice of the Secretary of Defense, and in consultation with Members of Congress, I have decided to establish a Blue Ribbon Commission on Defense Management. The purpose of this Commission is to review the progress already made in improving the management, organization, acquisition, and decision-making procedures of the Department of Defense, and to propose such further changes as may be appropriate.

The charter of the Commission shall be to study defense management policies and procedures, including the budget process, the procurement system, legislative oversight, and the organizational and operational arrangements, both formal and informal, among the Office of the Secretary of Defense, the Organization of the Joint Chiefs of Staff, the Unified and Specified Command System, the Military Departments, and the Congress.

Objectives of the Commission shall include but not be limited to the following:

1. To review the adequacy of the defense acquisition process, including the adequacy of the defense industrial base, current law governing Federal and Department of Defense procurement activities, departmental directives and management procedures, and the execution of acquisition responsibilities within the Military Departments.

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2. To review the adequacy of the current authority and control of the Secretary of Defense in the oversight of the Military Departments, and the efficiency of the decision-making apparatus of the Office of the Secretary of Defense.
3. To review the responsibilities of the Organization of the Joint Chiefs of Staff in providing for joint military advice and force development within a resource-constrained environment.
4. To review the adequacy of the Unified and Specified Command system in providing for the effective planning for and use of military forces.
5. To consider the value and continued role of intervening layers of command on the direction and control of military forces in peace and in war.
6. To review the procedures for developing and fielding military systems incorporating new technologies in a timely fashion.
7. To study and make recommendations regarding Congressional oversight and investigative procedures relating to the Department of Defense.
8. To recommend proposals to improve the effectiveness and stability of resource allocation for defense, including the legislative process.

In formulating its recommendations to the President, the Commission should consider the appropriate means for implementing its recommendations. The Commission should first devote its attention to the procedures and activities of the Department associated with the procurement of military equipment and materiel. It should report its conclusions and recommendations on the Procurement section of this study by December 31, 1985. The final report encompassing the balance of those issues highlighted above should be submitted no later than June 30, 1986, with an interim report to be submitted not later than March 31, 1986.

The Commission will be bipartisan in nature and should consist mainly but not exclusively of people with extensive experience and national reputations in commerce and industry, as well as people with broad experience in government and national defense. The Department of Defense will be responsible for administrative support to the Commission.

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The Assistant to the President for National Security Affairs, in coordination with the Secretary of Defense, should prepare an Executive Order implementing this directive, and a list of recommended Commissioners. The Commission should be in place and operating as soon as possible. Shortly thereafter, the Commission should brief the Assistant to the President for National Security Affairs and the Secretary of Defense on the Commission's plan of action.

Ronald Reagan

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